

P.O. Box 7704
Wichita, KS 67277-7704

Four Cessna Boulevard
Wichita, KS 67215

316.517.6578



Toll-Free: 877.855.4228

Fax: 316.517.7668

Connect Line: 316.941.4228

or: 888.446.4228

Loans: 316.517.7143

April 2, 2009

The Honorable Michael E. Fryzel
Chairman, National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428

The Honorable Rodney Hood
Vice Chairman, National Credit Union Administration

The Honorable Gigi Hyland
Board Member, National Credit Union Administration

Re: Comments on Advance Notice of Proposed Rulemaking for Part 704

Dear Chairman Fryzell, Vice Chairman Hood, and Board Member Hyland

Cessna Employees Credit Union (CECU) appreciates the opportunity to provide perspective and comment on NCUA's Advanced Notice of Proposed Rulemaking (ANPR) and Request for Comment regarding the role of the Corporate Credit Union Network and its structure. Before addressing the focus of the ANPR, I would like comment on recent actions of NCUA regarding corporate credit unions.

CECU is a credit union of approximately \$150 million in assets, chartered in 1941 and located in Wichita, Kansas. We serve approximately 15,000 members who are employees, retirees of Cessna Aircraft Company and members of their families. Our credit union serves members in an industry that has been dramatically impacted by the international economic downturn and vilification of the use of general aviation and corporate jets. Our sponsor company has laid off over one-third of their workforce. This is a time when our credit union is providing a very special role in easing the pain and transition of hard working, productive Americans through personal financial crisis.

As we do this, we are also being forced to deal with the "crisis" of the US Central Federal Credit Union and the rest of the corporate credit union network. In my opinion, US Central, their auditors, and NCUA have rushed to judgment in infusing additional capital and guarantees and writing off "impaired" investments. The further exacerbation of this matter by placing US Central and WesCorp in conservatorship is also troubling.

NCUA has been less than forthcoming in how and why the referenced investments are perceived to be so dramatically impaired. It is beyond reasonable comprehension how these could turn so bad, so fast, and yet continue to be performing assets. To date, there appears to be little evidence of actual loss incurred. Thus, it also seems very premature to charge funds of the NCUSIF for this "bookkeeping entry" and to infuse capital into US Central. Rather than providing confidence in the marketplace, these actions have further diluted consumer confidence.

This is a time when natural person credit unions should be focusing our energy on meeting the needs of our members, providing a source of credit in a market when other financial institutions have locked up, and providing a safe haven for member deposits. Instead, we must also focus significant financial resources and management energy on evaluating our own business models and risk assessment in light of unconscionable charges against our earnings and capital due to extraordinary commitments against the NCUSIF fund. Thus it seems to be a broad reach to

assume that write-offs at US Central warrant a reconsideration of the role of corporate credit unions in the credit union system.

With that said, we do wish to comment on the value of corporate credit unions. We strongly believe that corporate credit unions provide essential services to natural person credit unions. As institutions that provide financial services in a cooperative structure to our members, it only makes sense that we seek services as members of a cooperative network.

We are members of Kansas Corporate Credit Union (KCCU) and use them for many financial services on a daily basis. KCCU is very responsive to our needs. They offer affordable products and services that allow us to compete with much larger local and regional financial institutions. KCCU knows who we are and where we are located. This level of service would most likely be lost if they were consolidated into one large operation for all credit unions. If such were the case, we might need to look elsewhere locally for the products and services we enjoy now at KCCU. We consider KCCU to be one of our most strategic business partners.

KCCU plays a critical role in providing the products and services to us in a very smooth and cost effective manner, therefore providing many of the back office functions we need so we can focus more on servicing our members' needs. KCCU provides the following products and services to our credit union:

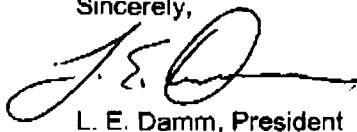
- Liquidity Services* to meet our liquidity needs from time to time with various borrowing terms and line of credit loans
- Investment Services and Products* in a most efficient and effective manner *because* of their relationship with various vendors
- Safekeeping Services and Reporting* that allow us to safekeep our investments in a system that allows us easy access to monitor activity and get various reports
- Correspondent Services* for settlement services of member checks, ACH clearings, member deposits, corporate checks, domestic and foreign wires, collection items, cash services to our branch locations
- Online management tools* for investment purchases and sales
- Line of credit* loans for overnight and term borrowings

KCCU provides customer support to us in a very professional, courteous and expedient manner with most needs taken care of over the phone. This quality of service is hard to find in today's world of consolidation where operational efficiency and effectiveness oftentimes fall miserably.

With the exception of the perceived investment valuation issue, the two-tiered corporate credit union system has served natural person credit unions well. The issues noted did not just happen overnight and we do not believe the problem is with the current corporate structure. Rather, it appears to lie in evaluation and oversight of U.S. Central's operations. It would seem that issues of risk concentration could have been observed and dealt with much earlier through less draconian measures. It would be a BIG blow to all credit unions today to lose that edge in the market place because of an oversight problem with US Central.

Thank you for the opportunity to comment.

Sincerely,



L. E. Damm, President